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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 29, 2000

JOINT PETITION OF

NUI CORPORATION,
VGC ACQUISITION, INC.,
and
VIRGINIA GAS COMPANY

CASE NO. PUA000079

For approval of agreement
and plan of merger under
Chapter 5 of Title 56
of the Code of Virginia

ORDER ESTABLISHING HEARING AND
ADDITIONAL PROCEDURAL SCHEDULE

On September 28, 2000, NUI Corporation, VGC Acquisition, Inc., and Virginia Gas Company ("VGC") (collectively, "Petitioners") filed a joint petition pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Utility Transfers Act," § 56-88 et seq.) requesting approval of a proposed transaction that would result in the transfer of VGC's ownership and control in each of the following public service companies: Virginia Gas Distribution Company, Virginia Gas Storage Company, and Virginia Gas Pipeline Company ("VGPC").

On October 10, 2000, the Commission entered an Order for Notice and Comment wherein, among other things, we directed Petitioners to give notice of its joint petition, and provided the public an opportunity to file, on or before November 8,

2000, comments and requests for hearing on the proposed transaction. The Commission received over a dozen comments and requests for hearing from persons interested in this joint petition. We will schedule a hearing in response to these requests.

Many of the comments and requests for hearing seek the opportunity to address, in this case, the Commission's granting to VGPC a certificate of public convenience and necessity to expand its P-25 natural gas pipeline facility from Chilhowie to Radford.¹ The Commission granted VGPC authority, in Case No. PUE990176, to extend its existing line from Radford into Roanoke County, and to construct laterals to Rocky Mount and into the City of Roanoke. On October 5, 2000, a group of landowners filed a "Motion to Reinstate, Reconsider, and/or Vacate" the Commission's Final Order granting VGPC the certificate to extend its pipeline facilities. As we explained in our November 14, 2000, Order in response to the landowners' motion, the Commission cannot, as a matter of law, revisit this matter.² We could not legally revisit the pipeline certificate in response

¹ Application of Virginia Gas Pipeline Co., For Certification of a Natural Gas Transmission Line under the Utility Facilities Act, Case No. PUE990167, Final Order, Dec. 6, 1999.

² Commonwealth of Virginia ex rel. Snyder v. Virginia Gas Pipeline Co., In re: Motion to reinstate the Commission's docket in Case No. PUE990167, and reconsider, and/or vacate the Commission's final order in that case granting Virginia Gas Pipeline Co. a certificate, Case No. PUE000586, Order, Nov. 14, 2000.

to the October 5 motion and for the same reasons we cannot do so now in Petitioners' filing under the Utility Transfers Act.

The General Assembly has set forth the criterion for our review of petitions filed under the Utility Transfers Act.

Section 56-90 provides:

Upon the filing of the petition, if the Commission shall deem a hearing necessary, the Commission shall assign the matter for prompt hearing. If and when the Commission, with or without hearing, shall be satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition, the Commission shall make such order in the premises as it may deem proper and the circumstances require

The Commission reiterates that it cannot, as a matter of law, re-litigate the pipeline certificate proceeding concluded December 6, 1999, in Case No. PUE990167. Any testimony or legal argument offered at the hearing in this case must be limited to the issues now properly before the Commission pursuant to the Utility Transfers Act.

Accordingly, IT IS ORDERED:

(1) A public hearing before a hearing examiner shall be held on January 16, 2001, beginning at 10:00 a.m. in the Roanoke County Courthouse, 305 East Main Street, Salem Virginia, for the purpose of receiving evidence relevant to the joint petition.

(2) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure

("Procedural Rules"), 5 VAC 5-10-250, a hearing examiner shall be assigned to conduct further proceedings on behalf of the Commission.

(3) On or before December 15, 2000, Petitioners shall file with Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, 1300 East Main Street, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of the direct testimony it will offer at the January 16, 2001, hearing in support of the joint petition. This testimony may include any response to the November 22, 2000, report of the Commission Staff in lieu of filing a response on or before December 13, 2000, as provided by prior Commission order.

(4) On or before January 5, 2001, any person desiring to submit evidence, cross-examine witnesses, or otherwise participate in this proceeding as a Protestant, as defined in Procedural Rule 4:6, 5 VAC 5-10-180, shall file with the Clerk of the Commission at the address set forth above, an original and fifteen (15) copies of a Notice of Protest and Protest, as required by Procedural Rules 5:16(a) and (b), 5 VAC 5-10-420 A and B, and testimony and exhibits that the Protestant intends to present at the January 16, 2001, hearing, as required by Procedural Rule 6:2, 5 VAC 5-10-420. Protestants shall serve a copy of its filings on counsel for Petitioners, JoAnne L. Nolte, Esquire, PennStuart, P.O. Box 617, 801 East Main Street,

Suite 1110, Richmond, Virginia 23218-0617, and on all other Protestants.

(5) Petitioners shall make a copy of their joint petition, supporting materials, and prefiled testimony available to the public, who may obtain a copy, at no charge, by requesting it in writing from Petitioners' counsel at the address provided above. Petitioners shall promptly serve a copy of its prefiled testimony on any Protestant appearing in this case who had not previously requested and obtained a copy.

(6) On or before December 8, 2000, Petitioners shall publish the following notice as display advertising (not classified) once in newspapers of general circulation in the counties of Buchanan, Dickenson, Franklin, Pulaski, Montgomery, Roanoke, Russell, Scott, Smyth, Tazewell, Washington, and Wythe:

NOTICE OF PUBLIC HEARING BEFORE THE STATE
CORPORATION COMMISSION ON THE JOINT PETITION OF
NUI CORPORATION, VGC ACQUISITION, INC., AND
VIRGINIA GAS COMPANY FOR APPROVAL OF
AGREEMENT AND PLAN OF REORGANIZATION UNDER
CHAPTER 5 OF TITLE 56 OF THE CODE OF VIRGINIA
CASE NO. PUA000079

On September 28, 2000, NUI Corporation, VGC Acquisition, Inc., and Virginia Gas Company ("VGC") (collectively, "Petitioners") filed a joint petition pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Utility Transfers Act," § 56-88 et seq.) requesting State Corporation Commission approval of a proposed transaction that would result in the transfer of VGC's ownership and control in each of the following public service

companies: Virginia Gas Distribution Company, Virginia Gas Storage company, and Virginia Gas Pipeline Company.

In response to comments and requests for hearing received by the Commission, the Commission has scheduled a public hearing to be held on January 16, 2001, beginning at 10:00 a.m. in Courtroom 4 of the Roanoke County Courthouse, 305 East Main Street, Salem, Virginia.

On or before January 5, 2001, any person desiring to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Procedural Rules"), 5 VAC 5-10-180, shall file with the Clerk of the Commission, at the address set forth below, an original and fifteen (15) copies of a Notice of Protest and Protest, as required by Procedural Rules 5:16(a) and (b), 5 VAC 5-10-420 A and B, and testimony and exhibits that the Protestant intends to present at the January 16, 2001, hearing, as required by Procedural Rule 6:2, 5 VAC 5-10-460. Protestants shall serve a copy of its filing on counsel for Petitioners, JoAnne L. Nolte, Esquire, PennStuart, P.O. Box 617, 801 East Main Street, Suite 1110, Richmond, Virginia 23218-0617, and on all other Protestants.

Any person desiring to make a statement at the hearing concerning the joint petition need only appear at the Roanoke County Courthouse in Courtroom 4 at 10:00 a.m. on the day of the hearing and identify himself or herself to the Commission's bailiff as a public witness.

Any testimony or legal argument offered at the hearing in this case must be limited to the issues properly before the Commission pursuant to the Utility Transfers Act. The Commission cannot consider in this

proceeding any issues relative the natural gas pipeline certificate granted to Virginia Gas Pipeline Company in Case No. PUE990167 on December 6, 1999.

A copy of the joint petition, supporting materials, and prefiled testimony will be available for public inspection during regular business hours at the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia. Copies may also be obtained, at no charge, by requesting them in writing, from Petitioners' counsel, JoAnne L. Nolte, Esquire, at the address provided above.

Persons with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

All written communications to the Commission concerning this joint petition must be directed to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, 1300 East Main Street, Richmond, Virginia 23218-2118, and must reference Case No. PUA000079.

NUI CORPORATION, VGC ACQUISITION, INC.,
AND VIRGINIA GAS COMPANY

(7) Consistent with the areas referenced in the above ordering paragraph, Petitioners shall forthwith serve a copy of this order on the chairmen of the boards of supervisors of the counties, and upon the mayor or manager of any city or county, or upon equivalent officials in cities, towns, and counties having alternate forms of government. Service shall be by

first-class mail or delivery to the customary place of business or residence of the person served.

(8) Petitioners shall provide the Commission with proof of the notice required in ordering paragraphs (6) and (7) at the January 16, 2001, hearing.

(9) The Clerk of the Commission shall forthwith mail a copy of the November 22, 2000, Staff report to each person having filed comments or requests for hearing in this matter.

(10) On or before January 8, 2001, the Commission Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of a statement identifying the witnesses who will appear at the January 16, 2001, hearing to support the Staff report filed November 22, 2000, and may also file any testimony and exhibits it intends to offer at the hearing to supplement its report. The Staff shall serve a copy of these filings on counsel for Petitioners and on each Protestant.

(11) On or before January 10, 2001, Petitioners shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony and exhibits it intends to present at the hearing, and shall serve a copy on each Protestant.

(12) Pursuant to § 56-88.1 of the Code of Virginia, the period for the Commission's consideration of the joint petition shall be extended to March 27, 2001.

(13) The hearing examiner appointed herein shall submit his report to the Commission no later than February 22, 2001.